

Chapter PSC 118

RENEWABLE RESOURCE CREDIT TRACKING PROGRAM

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Note: Chapter PSC 118 was created as an emergency rule effective April 7, 2001.

PSC 118.01 Scope. This chapter applies to each Wisconsin electric provider that creates an RRC or uses an RRC to meet the requirements of s. 196.378 (2) (a), Stats.

History: CR 00–065: cr. Register July 2001, No. 547 eff. 8–1–00; CR 06–112: am. Register May 2007 No. 617, eff. 6–1–07.

PSC 118.02 Definitions. The definitions specified in s. 196.378, Stats., apply to this chapter. In addition, in this chapter:

(1) “Certified renewable facility” means an electric generating facility that the commission certifies has met the definition of a renewable facility.

(2) “Compliance period” means a calendar year, beginning January 1, during which an electric provider is required to deliver renewable energy under s. 196.378 (2) (a), Stats.

(3) “Commission” means the public service commission.

(4) “Designated representative” means the person authorized by the electric provider to register a renewable facility with the program administrator, or to purchase or sell RRCs.

(6) “MWh” means megawatt–hour.

(7) “Program administrator” means the person who carries out the administrative responsibilities related to the renewable resource credit tracking program.

(8) “RRC” means a renewable resource credit.

(10) “Renewable resource credit” means one MWh of renewable energy from a certified renewable facility that is physically metered with the net generation measured at the certified renewable facility’s bus bar, that is delivered to a retail customer with the retail sale measured at the customer’s meter, that ignores the transmission and distribution losses between the bus bar and the customer’s meter, that exceeds the minimum percentage requirement specified in s. 196.378 (2) (a), Stats., and that meets the requirements of ss. PSC 118.03 and 118.04.

(11) “Retail customer” means a customer that receives retail electricity in Wisconsin.

(12) “RRC account” means the account that the program administrator maintains in order to track the creation, sale, transfer, purchase, and retirement of an RRC by a program participant.

(13) “RRC tracking program” means a program that tracks the selling, transferring, purchasing, and retiring of RRCs.

History: CR 00–065: cr. Register July 2001, No. 547 eff. 8–1–01; CR 06–112: r. (5) and (9), am. (7), (10) and (11), r. and recr. (13) Register May 2007 No. 617, eff. 6–1–07.

PSC 118.03 Facilities eligible for creating renewable resource credits. (1) An electric provider may create an RRC only if the renewable facility that is the source of the electric provider’s renewable energy meets all of the following requirements:

(a) The energy output of the renewable facility is physically metered and the accuracy of the metering is subject to verification by the program administrator.

(b) The renewable facility registers with, and is certified by, the commission under s. PSC 118.05.

(c) 1. The renewable facility is owned or operated by the electric provider, which sells the renewable energy to its retail customers or members; or

2. The renewable facility supplies or allocates its energy under an executed wholesale purchase contract to the electric provider, which sells the renewable energy to its retail customers or members.

(3) (b) An electric provider may only use the renewable portion of a biomass co–fired facility’s energy production, based on the relative energy content of the fuels, to create RRCs in the applicable reporting period.

History: CR 00–065: cr. Register July 2001, No. 547 eff. 8–1–01; CR 06–112: r. (2) and (3) (a), am. (3) (b) Register May 2007 No. 617, eff. 6–1–07.

PSC 118.04 Creation and transfer of renewable resource credits. (2) (e) Renewable energy that would meet the definition of an RRC under s. PSC 118.02 (10), except that it consists of less than one MWh, shall constitute a fraction of an RRC. A fractional RRC may not be smaller than 0.01 MWh.

(f) Two or more electric providers may jointly purchase or sell an RRC.

(g) 1. An RRC created before January 1, 2004, may be sold or used to meet an electric provider’s minimum percentage requirement under s. 196.378 (2) (a), Stats. The RRCs described in this subdivision may not be used after December 31, 2011, as provided in s. 196.378 (3) (c), Stats.

2. An RRC created on or after January 1, 2004, but produced by a renewable facility that was placed into service before January 1, 2004, may only be sold or used to meet an electric provider’s minimum percentage requirement under s. 196.378 (2) (a), Stats., if the RRC constituted an incremental increase in output from the renewable facility due to capacity improvements that were made on or after January 1, 2004, as provided in s. 196.378 (3) (a) 2., Stats. The RRCs described in this subdivision may not be used after the fourth year after the year in which the credit is created, as provided in s. 196.378 (3) (c), Stats.

EXAMPLE: If the renewable facility was originally constructed prior to January 1, 2004, but is entirely replaced with a new and more efficient facility, all of the output from the new facility constitutes an incremental increase and can be used to create RRCs.

3. An RRC created on or after January 1, 2004, that is produced by a renewable facility placed into service on or after January 1, 2004, may be sold or used to meet an electric provider’s minimum percentage requirement under s. 196.378 (2) (a), Stats. The RRCs described in this subdivision may not be used after the fourth year after the year in which the credit is created, as provided in s. 196.378 (3) (c), Stats.

(3) When an RRC is credited to an electric provider’s account, the account owner may sell or transfer the RRC to another electric provider. Any person selling or transferring an RRC shall report the sale or transfer to the program administrator within 10 days of the transaction. The program administrator shall then credit the RRC account of the new owner and debit the RRC account of the prior owner. An RRC may continue to be sold or traded only if each seller or transferor reports the transaction to the program administrator within 10 days of its consummation.

(4) When an electric provider uses an RRC to comply with the minimum percentage requirements of s. 196.378 (2) (a), Stats., the program administrator shall retire the RRC.

(5) Subject to commission approval, the program administrator may establish any procedure necessary to ensure that the creation, sale, transfer, purchase and retirement of RRCs are accurately recorded.

History: CR 00-065: cr. Register July 2001, No. 547 eff. 8-1-01; CR 06-112: r. (1) and (2) (a) to (d), cr. (2) (g), am. (3) Register May 2007 No. 617, eff. 6-1-07.

PSC 118.05 Certification of renewable facilities.

(1) (a) An electric provider may only use the energy of a certified renewable facility for creation of an RRC. The commission shall certify renewable facilities or delegate this responsibility to the program administrator. Any electric provider or owner of a renewable facility that is adversely affected by the program administrator's decision to certify or not certify may protest to the commission. Such a protest shall be served in writing on the division administrator within 10 working days after the adversely affected person has received notice of the program administrator's decision. The division administrator may settle and resolve protests brought under this paragraph. If the protest cannot be resolved by mutual agreement, the division administrator shall issue a written decision. Any person adversely affected by the division administrator's written decision may, within 20 working days after its issuance, appeal the decision to the commission by alleging facts that show a violation of a particular statute or provision of this chapter.

(b) The program administrator may not issue an RRC before the date that a renewable facility is certified, but the program administrator may issue an RRC for energy that a certified renewable facility produced subsequent to the date it delivered its request for certification.

(2) To obtain certification, the electric provider generating or purchasing energy from a renewable facility, or a designated representative, shall provide the following information in a format approved by the commission:

(a) The renewable facility's location, owner, technology, date placed in service, and rated capacity.

(b) Information that demonstrates the renewable facility meets the resource eligibility criteria under s. PSC 118.03.

(c) Any other information the commission determines to be necessary.

(3) The commission or the program administrator shall inform the electric provider, or its designated representative, whether it has certified a renewable facility for which it has received an application under sub. (2).

(5) The commission may make on-site visits to any certified unit of a renewable facility to determine its compliance with this chapter and with s. 196.378, Stats., and may decertify any unit that it finds not to be in compliance.

History: CR 00-065: cr. Register July 2001, No. 547 eff. 8-1-01; CR 06-112: am. (1), (2) (intro.) and (3), r. (4), renum. (6) to be PSC 118.06 (5) and am., Register May 2007 No. 617, eff. 6-1-07.

PSC 118.06 Renewable resource credit program administrator. (1) The commission shall, using a competitive process, contract with a program administrator who shall operate either a statewide or a regional RRC tracking program.

(2) The program administrator shall:

(a) Create an account for each electric provider.

(b) Create an account for each certified renewable facility that participates in the tracking program.

(c) Register each renewable facility the commission has certified, including the following data about the facility:

1. Its electric provider's account number.

2. Its location, owner, technology, date placed in service, and rated capacity.

3. Its expected annual energy production.

4. Information about the facility's meter that allows the program administrator to verify its accuracy.

5. Any additional data the commission deems necessary for proper operation of the tracking program.

(d) Establish and maintain a system for tracking RRCs that does all of the following:

1. Issues a unique electronic certificate for each MWh of renewable energy measured at the bus bar of a certified renewable facility that is located in the area covered by the tracking system, that is owned by a participating electric provider, or that is under contract to deliver electric energy to a participating electric provider. The certificate shall identify which certified renewable facility produced the MWh, when it was produced, and any other characteristics the commission finds necessary.

2. Records RRC ownership and each transfer between account holders.

3. Retires each RRC that meets any of the following circumstances:

a. An electric provider uses the RRC to meet all or part of its minimum percentage requirement under s. 196.378 (2) (a), Stats.

b. The RRC becomes four years old.

c. An electric provider chooses to retire the RRC for any other reason.

(e) Audit registered renewable facilities, as needed, to verify the accuracy of metered production data.

(f) Track and report each electric provider's compliance with the minimum percentage requirement under s. 196.378 (2) (a), Stats.

(g) Perform any other function the commission may designate.

(3) The program administrator may create an exchange procedure for purchasing and selling RRCs.

(4) (a) Annually, the program administrator shall report to the commission the costs incurred in operating the RRC tracking program and recommend an assessment of these costs to electric providers and other tracking system participants that hold RRC accounts.

(b) The commission shall review the cost allocation that the program administrator proposes under par. (a) and approve or modify this allocation. The commission shall assess these costs to each electric provider, pursuant to s. 196.85 (1) and (1m) (a), Stats.

(5) The program administrator may not issue RRCs for energy produced by a decertified renewable facility.

History: CR 00-065: cr. Register July 2001, No. 547 eff. 8-1-01; CR 06-112: (5) renum. from s. PSC 118.05 (6) and am., am. (1) and (4) (a), r. and recr. (2), Register May 2007 No. 617, eff. 6-1-07.

PSC 118.07 Aggregation and allocation by wholesale suppliers. If a wholesale supplier aggregates and allocates RRCs among its members or customers, it shall do so in a manner approved by the affected members or customers.

History: CR 06-112: cr. Register May 2007 No. 617, eff. 6-1-07.

PSC 118.08 Double-counting prohibited. An electric provider that sells or conveys a MWh of renewable energy or an RRC at wholesale may not use that MWh or RRC to meet its minimum percentage requirement under s. 196.378 (2) (a), Stats.

History: CR 06-112: cr. Register May 2007 No. 617, eff. 6-1-07.